

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO S.B. 1030

(Reference to Senate engrossed bill)

Strike everything after the enacting clause and insert:

"Section 1. Section 38-842, Arizona Revised Statutes, is amended to read:

38-842. Definitions

In this article, unless the context otherwise requires:

1. "Accidental disability" means a physical or mental condition ~~which~~ **THAT** the local board finds totally and permanently prevents an employee from performing a reasonable range of duties within the employee's job classification and **THAT** was incurred in the performance of the employee's duty.

2. "Accumulated contributions" means, for each member, the sum of the amount of the member's aggregate contributions made to the fund and the amount, if any, attributable to the employee's contributions prior to the member's effective date under another public retirement system, other than the federal social security act, and transferred to the fund minus the benefits paid to or on behalf of the member.

3. "Actuarial equivalent" means equality in present value of the aggregate amounts expected to be received under two different forms of payment, based on mortality and interest assumptions adopted by the fund manager. The fund manager may from time to time change the mortality and interest assumptions.

4. "Alternate payee" means the spouse or former spouse of a participant as designated in a domestic relations order.

5. "Alternate payee's portion" means benefits that are payable to an alternate payee pursuant to a plan approved domestic relations order.

6. "Average monthly benefit compensation" means the result obtained by dividing the total compensation paid to an employee during a considered period by the number of months, including fractional months, in which such compensation was received. The considered period shall be the three consecutive years within the last twenty completed years of credited service

1 ~~which~~ THAT yield the highest average. In the computation under this
2 paragraph a period of nonpaid or partially paid industrial leave shall be
3 considered based on the compensation the employee would have received in the
4 employee's job classification if the employee was not on industrial leave.

5 7. "Catastrophic disability" means a physical and not a psychological
6 condition that the local board determines prevents the employee from totally
7 and permanently engaging in any gainful employment and that results from a
8 physical injury incurred in the performance of the employee's duty.

9 8. "Certified peace officer" means a peace officer certified by the
10 Arizona peace officers standards and training board.

11 9. "Claimant" means any member or beneficiary who files an application
12 for benefits pursuant to this article.

13 10. "Compensation" means, for the purpose of computing retirement
14 benefits, base salary, overtime pay, shift differential pay and holiday pay
15 paid to an employee by the employer on a regular monthly, semimonthly or
16 biweekly payroll basis and longevity pay paid to an employee at least every
17 six months for which contributions are made to the system pursuant to section
18 38-843, subsection D. Compensation does not include, for the purpose of
19 computing retirement benefits, payment for unused sick leave, payment in lieu
20 of vacation, payment for compensatory time or payment for any fringe
21 benefits. For the purposes of this paragraph, "base salary" means the amount
22 of compensation each employee is regularly paid for personal services
23 rendered to an employer before the addition of any extra monies, including
24 overtime pay, shift differential pay, holiday pay, longevity pay, fringe
25 benefit pay and similar extra payments.

26 11. "Credited service" means the member's total period of service prior
27 to the member's effective date of participation, plus those compensated
28 periods of the member's service thereafter for which the member made
29 contributions to the fund.

30 12. "Cure period" means the ninety-day period in which a participant or
31 alternate payee may submit an amended domestic relations order and request a
32 determination, calculated from the time the system issues a determination

1 finding that a previously submitted domestic relations order did not qualify
2 as a plan approved domestic relations order.

3 13. "Depository" means a bank in which all monies of the system are
4 deposited and held and from which all expenditures for benefits, expenses and
5 investments are disbursed.

6 14. "Determination" means a written document that indicates to a
7 participant and alternate payee whether a domestic relations order qualifies
8 as a plan approved domestic relations order.

9 15. "Determination period" means the ninety-day period in which the
10 system must review a domestic relations order that is submitted by a
11 participant or alternate payee to determine whether the domestic relations
12 order qualifies as a plan approved domestic relations order, calculated from
13 the time the system mails a notice of receipt to the participant and
14 alternate payee.

15 16. "Domestic relations order" means an order of a court of this state
16 that is made pursuant to the domestic relations laws of this state and that
17 creates or recognizes the existence of an alternate payee's right to, or
18 assigns to an alternate payee the right to, receive a portion of the benefits
19 payable to a participant.

20 17. "Effective date of participation" means July 1, 1968, except with
21 respect to employers and their covered employees whose contributions to the
22 fund commence thereafter, the effective date of their participation in the
23 system is as specified in the applicable joinder agreement.

24 18. "Effective date of vesting" means the date a member's rights to
25 benefits vest pursuant to section 38-844.01.

26 19. "Eligible child" means the unmarried child of a deceased member who
27 is under the age of eighteen or a full-time student who is under the age of
28 twenty-three or under a disability ~~which~~ THAT began before the child attained
29 the age of twenty-three and who remains a dependent of the surviving spouse
30 or guardian.

31 20. "Eligible groups" means only the following who are regularly
32 assigned to hazardous duty:

- 1 (a) Municipal police officers who are certified peace officers.
- 2 (b) Municipal fire fighters.
- 3 (c) Paid full-time fire fighters employed directly by a fire district
- 4 organized pursuant to section 48-803 or 48-804 with three or more full-time
- 5 fire fighters, but not including fire fighters employed by a fire district
- 6 pursuant to a contract with a corporation.
- 7 (d) State highway patrol officers who are certified peace officers.
- 8 (e) State fire fighters.
- 9 (f) County sheriffs and deputies who are certified peace officers.
- 10 (g) ~~Fish and~~ game AND FISH wardens who are certified peace officers.
- 11 (h) Police officers who are certified peace officers and fire fighters
- 12 of a nonprofit corporation operating a public airport pursuant to sections
- 13 28-8423 and 28-8424. A police officer shall be designated pursuant to
- 14 section 28-8426 to aid and supplement state and local law enforcement
- 15 agencies and a fire fighter's sole duty shall be to perform fire fighting
- 16 services, including services required by federal regulations.
- 17 (i) Police officers who are certified peace officers and who are
- 18 appointed by the Arizona board of regents.
- 19 (j) Police officers who are certified peace officers and who are
- 20 appointed by a community college district governing board.
- 21 (k) State attorney general investigators who are certified peace
- 22 officers.
- 23 (l) County attorney investigators who are certified peace officers.
- 24 (m) Police officers who are certified peace officers and who are
- 25 employed by an Indian reservation police agency.
- 26 (n) Fire fighters who are employed by an Indian reservation fire
- 27 fighting agency.
- 28 (o) Police officers who are certified peace officers and who are
- 29 appointed by the department of administration.
- 30 (p) Department of liquor licenses and control investigators who are
- 31 certified peace officers.

1 (q) Arizona department of agriculture officers who are certified peace
2 officers.

3 (r) Arizona state parks board rangers and managers who are certified
4 peace officers.

5 (s) County park rangers who are certified peace officers.

6 21. "Employee" means any person who is employed by a participating
7 employer and who is a member of an eligible group but does not include any
8 persons compensated on a contractual or fee basis. If an eligible group
9 requires certified peace officer status and at the option of the local board,
10 employee may include a person who is training to become a certified peace
11 officer.

12 22. "Employers" means:

13 (a) Cities contributing to the fire fighters' relief and pension fund
14 as provided in sections 9-951 through 9-971 or statutes amended thereby and
15 antecedent thereto, as of June 30, 1968 on behalf of their full-time paid
16 fire fighters.

17 (b) Cities contributing under the state police pension laws as
18 provided in sections 9-911 through 9-934 or statutes amended thereby and
19 antecedent thereto, as of June 30, 1968 on behalf of their municipal
20 policemen.

21 (c) The state highway patrol covered under the state highway patrol
22 retirement system.

23 (d) The state, or any political subdivision ~~thereof~~ OF THIS STATE,
24 including ~~but not limited to~~ towns, cities, fire districts, counties and
25 nonprofit corporations operating public airports pursuant to sections 28-8423
26 and 28-8424, ~~which~~ THAT has elected to participate in the system on behalf of
27 an eligible group of public safety personnel pursuant to a joinder agreement
28 entered into after July 1, 1968.

29 (e) Indian tribes ~~which~~ THAT have elected to participate in the system
30 on behalf of an eligible group of public safety personnel pursuant to a
31 joinder agreement entered into after July 1, 1968.

1 23. "Fund" means the public safety personnel retirement fund, which is
2 the fund established to receive and invest contributions accumulated under
3 the system and from which benefits are paid.

4 24. "Fund manager" means the fund manager of the system, who are the
5 persons appointed to invest and operate the fund.

6 25. "Local board" means the retirement board of the employer, who are
7 the persons appointed to administer the system as it applies to their members
8 in the system.

9 26. "Member" means any employee who meets all of the following
10 qualifications:

11 (a) Who is either a full-time paid municipal police officer, a
12 full-time paid fire fighter, a law enforcement officer who is employed by ~~the~~
13 **THIS** state including the director thereof, a state fire fighter who is
14 primarily assigned to fire fighting duties, a fire fighter or police officer
15 of a nonprofit corporation operating a public airport pursuant to sections
16 28-8423 and 28-8424, all ranks designated by the Arizona law enforcement
17 merit system council, a state attorney general investigator who is a
18 certified peace officer, a county attorney investigator who is a certified
19 peace officer, a police officer who is appointed by the department of
20 administration and who is a certified peace officer, a department of liquor
21 licenses and control investigator who is a certified peace officer, an
22 Arizona department of agriculture officer who is a certified peace officer,
23 an Arizona state parks board ranger or manager who is a certified peace
24 officer, a county park ranger who is a certified peace officer, a person who
25 is a certified peace officer and who is employed by an Indian reservation
26 police agency, a fire fighter who is employed by an Indian reservation fire
27 fighting agency or an employee included in a group designated as eligible
28 employees under a joinder agreement entered into by their employer after July
29 1, 1968 and who is or was regularly assigned to hazardous duty.

30 (b) Who, on or after the employee's effective date of participation,
31 is receiving compensation for personal services rendered to an employer or
32 would be receiving compensation except for an authorized leave of absence.

1 (c) Whose employment with an employer commenced prior to attainment of
2 age fifty.

3 (d) Whose customary employment is at least forty hours per week and
4 for more than six months in a calendar year.

5 (e) Who has not attained age sixty-five prior to the employee's
6 effective date of participation or who was over age sixty-five with
7 twenty-five years or more of service prior to the employee's effective date
8 of participation.

9 27. "Normal retirement date" means the first day of the calendar month
10 immediately following an employee's completion of twenty years of service or
11 the employee's sixty-second birthday and the employee's completion of fifteen
12 years of service.

13 28. "Notice of receipt" means a written document that is issued by the
14 system to a participant and alternate payee and that states that the system
15 has received a domestic relations order and a request for a determination
16 that the domestic relations order is a plan approved domestic relations
17 order.

18 29. "Ordinary disability" means a physical condition ~~which~~ THAT the
19 local board determines will prevent an employee totally and permanently from
20 performing a reasonable range of duties within the employee's department or a
21 mental condition ~~which~~ THAT the local board determines will prevent an
22 employee totally and permanently from engaging in any substantial gainful
23 activity.

24 30. "Participant" means a member who is subject to a domestic relations
25 order.

26 31. "Participant's portion" means benefits that are payable to a
27 participant pursuant to a plan approved domestic relations order.

28 32. "Pension" means a series of monthly amounts ~~which~~ THAT are payable
29 to a person who is entitled to receive benefits under the plan.

30 33. "Personal representative" means the personal representative of a
31 deceased alternate payee.

1 34. "Plan approved domestic relations order" means a domestic relations
2 order that the system approves as meeting all the requirements for a plan
3 approved domestic relations order as otherwise prescribed in this article.

4 35. "Regularly assigned to hazardous duty" means regularly assigned to
5 duties of the type normally expected of municipal police officers, municipal
6 or state fire fighters, eligible fire district fire fighters, state highway
7 patrol officers, county sheriffs and deputies, fish and game wardens, fire
8 fighters and police officers of a nonprofit corporation operating a public
9 airport pursuant to sections 28-8423 and 28-8424, police officers who are
10 appointed by the Arizona board of regents or a community college district
11 governing board, state attorney general investigators who are certified peace
12 officers, county attorney investigators who are certified peace officers,
13 police officers who are appointed by the department of administration and who
14 are certified peace officers, department of liquor licenses and control
15 investigators who are certified peace officers, Arizona department of
16 agriculture officers who are certified peace officers, Arizona state parks
17 board rangers and managers who are certified peace officers, county park
18 rangers who are certified peace officers, police officers who are certified
19 peace officers and WHO are employed by an Indian reservation police agency or
20 fire fighters who are employed by an Indian reservation fire fighting
21 agency. Those individuals who are assigned solely to support duties such as
22 secretaries, stenographers, clerical personnel, clerks, cooks, maintenance
23 personnel, mechanics and dispatchers are not assigned to hazardous duty
24 regardless of their position classification title. Since the normal duties
25 of ~~municipal police officers, municipal or state fire fighters, eligible fire~~
26 ~~district fire fighters, state highway patrol officers, county sheriffs and~~
27 ~~deputies, fish and game wardens, fire fighters and police officers of a~~
28 ~~nonprofit corporation operating a public airport pursuant to sections 28-8423~~
29 ~~and 28-8424, police officers who are appointed by the Arizona board of~~
30 ~~regents or a community college district governing board, state attorney~~
31 ~~general investigators who are certified peace officers, county attorney~~
32 ~~investigators who are certified peace officers, police officers who are~~

~~appointed by the department of administration and who are certified peace officers, department of liquor licenses and control investigators who are certified peace officers, Arizona department of agriculture officers who are certified peace officers, Arizona state parks board rangers and managers who are certified peace officers, county park rangers who are certified peace officers, police officers who are certified peace officers and are employed by an Indian reservation police agency and fire fighters who are employed by an Indian reservation fire fighting agency~~ THOSE JOBS DESCRIBED IN THIS PARAGRAPH are constantly changing, questions as to whether a person is or was previously regularly assigned to hazardous duty shall be resolved by the local board on a case-by-case basis. Resolutions by local boards are subject to rehearing and appeal.

36. "Retirement" means termination of employment after a member has fulfilled all requirements for a pension. Retirement shall be considered as commencing on the first day of the month immediately following a member's last day of employment or authorized leave of absence, if later.

37. "Segregated funds" means the amount of benefits that would currently be payable to an alternate payee pursuant to a domestic relations order under review by the system, or a domestic relations order submitted to the system that failed to qualify as a plan approved domestic relations order, if the domestic relations order were determined to be a plan approved domestic relations order.

38. "Service" means the last period of continuous employment of an employee by the employers prior to the employee's retirement or the employee's sixty-fifth birthday, whichever first occurs, except that if such period includes employment during which the employee would not have qualified as a member had the system then been effective, such as employment as a volunteer fire fighter, then only twenty-five per cent of such noncovered employment shall be considered as service. Any absence ~~which~~ THAT is authorized by an employer shall not be considered as interrupting continuity of employment if the employee returns within the period of authorized absence. Transfers between employers also shall not be considered as

1 interrupting continuity of employment. Any period during which a member is
2 receiving sick leave payments or a temporary disability pension shall be
3 considered as service. NOTWITHSTANDING ANY OTHER PROVISION OF THIS
4 PARAGRAPH, any period during which a person was employed as a full-time paid
5 fire fighter ~~by a fire district pursuant to a contract with a corporation~~
6 ~~within that fire district~~ FOR A CORPORATION THAT CONTRACTED WITH AN EMPLOYER
7 TO PROVIDE FIRE FIGHTING SERVICES ON BEHALF OF THE EMPLOYER shall be
8 considered as service if ~~it is part of the person's last period of continuous~~
9 ~~employment with that corporation in that fire district and the fire district~~
10 EMPLOYER has elected AT ITS OPTION to treat PART OR ALL OF the period THE
11 FIRE FIGHTER WORKED FOR THE COMPANY as service in its applicable joinder
12 agreement. Any reference in this system to the number of years of service of
13 an employee shall be deemed to include fractional portions of a year.

14 39. "State" means the state of Arizona, including any department,
15 office, board, commission, agency or other instrumentality of the state.

16 40. "System" means the public safety personnel retirement system
17 established by this article.

18 41. "Temporary disability" means a physical or mental condition ~~which~~
19 THAT the local board finds totally and temporarily prevents an employee from
20 performing a reasonable range of duties within the employee's department and
21 ~~which~~ THAT was incurred in the performance of the employee's duty.

22 Sec. 2. Section 38-853.01, Arizona Revised Statutes, is amended to
23 read:

24 38-853.01. Redemption of prior service

25 A. Each present active member of the system ~~who had previous~~ MAY ELECT
26 TO REDEEM ANY PART OF THE FOLLOWING PRIOR SERVICE OR EMPLOYMENT BY PAYING
27 INTO THE SYSTEM ANY AMOUNTS REQUIRED UNDER SUBSECTION B IF THE PRIOR SERVICE
28 OR EMPLOYMENT IS NOT ON ACCOUNT WITH ANY OTHER RETIREMENT SYSTEM:

29 1. PRIOR service in this state as an employee with an employer now
30 covered by the system or ~~had previous~~ PRIOR service with an agency of the
31 United States government, a state of the United States or a political
32 subdivision of a state of the United States as a full-time paid firefighter

1 or full-time paid certified peace officer ~~may elect to redeem any part of the~~
2 ~~prior service by paying into the system any amounts required under subsection~~
3 ~~B if the prior service is not on account with any other retirement system.~~

4 2. SUBJECT TO ANY LIMITATIONS PRESCRIBED BY FEDERAL LAW, PRIOR
5 EMPLOYMENT AS AN EMPLOYEE WITH A CORPORATION THAT CONTRACTED WITH AN EMPLOYER
6 NOW COVERED BY THE SYSTEM TO PROVIDE FIREFIGHTING SERVICES ON BEHALF OF THAT
7 EMPLOYER AS A FULL-TIME PAID FIREFIGHTER.

8 B. Any present active member who elects to redeem any part of the
9 prior service OR EMPLOYMENT for which the employee is deemed eligible by the
10 fund manager under this section shall pay into the system the amounts
11 previously withdrawn by the member, if any, as a refund of the member's
12 accumulated contributions plus accumulated interest as determined by the fund
13 manager and the additional amount, if any, computed by the system's actuary
14 which is necessary to equal the increase in the actuarial present value of
15 projected benefits resulting from the redemption calculated using the
16 actuarial methods and assumptions prescribed by the system's actuary.

17 Sec. 3. Amendment or execution of joinder agreement

18 If an employer in the public safety personnel retirement system elects
19 to include its fire fighters who have prior service working as a fire fighter
20 for a corporation that contracted with an employer to provide fire fighting
21 services as part of its eligible group, the employer shall amend the joinder
22 agreement with the fund manager of the public safety personnel retirement
23 system or execute a joinder agreement if the employer entered the system on
24 July 1, 1968."

25 Amend title to conform

MARIAN A. McCLURE

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